CAPITAL

PENSION PLAN

1999 Annual Report

100-05166/

Table of Contents

Message from the Chair	1
Defined Contribution Funds	2
Retirement Annuity Fund	8
Administration Report	10
Management's Responsibility for Financial Reporting	12
Auditors Report	13
Combined Financial Statements	14
Notes to Combined Financial Statements	16
Glossary	28
Directory-2000	30

Italicized items are defined in the Glossary

Message from the Chair

The past year has been busy and productive. I want to share the results of the Board's dedication and guidance in continuing to plan and implement a solid foundation for the Capital Pension Plan (the Plan).

Plan Profile

The Capital Pension Plan is a defined contribution (money purchase) pension plan established in 1976 to provide a cost and tax effective method by which employers could provide their employees with a plan to systematically save for retirement.

Over 50 employers participate in the Plan, including private corporations, labour unions, crown corporations and other selected organizations. Current membership in the Plan's defined contribution funds exceeds 6,100.

The Plan sponsor is Crown Investments Corporation of Saskatchewan. Overall direction is provided by the Plan's Board of Directors (the Board) who are either elected by representatives of the participating employers or appointed by the Plan sponsor. The Plan Administrator is Capital Pension & Benefits Administration.

Investment Policy

The Plan's annual review of its *Statement of Investment Policies and Objectives* was completed in the third quarter of the year. As a result, the Plan's asset mix guidelines were adjusted slightly to recognize the potential of *emerging markets* equity investments.

Plan Text

During 1999 the *Plan Text* was revised and restated to reflect the many changes legislated by both the federal and provincial pension jurisdictions. As legislation which affects pension plans is constantly changing it is expected that further amendments will also be required in 2000 to accommodate such revisions.

Governance

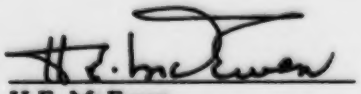
A major undertaking of the Board, which began in late 1999, was a comprehensive review of the Plan's governance structure and processes. Included will be the development of a mission statement specific to the operation of the Plan as well as its guiding principles and goals.

Administration

Much time and effort was spent by the Plan's administration to ensure all internal and vendor computer systems were Year 2000 (Y2K) compliant. I am pleased to advise that no problems were encountered as we moved into the new millennium.

To continue the enhancement of communications to both participating employers and members, work began in 1999 on an internet web site. It is expected to be operational by mid 2000.

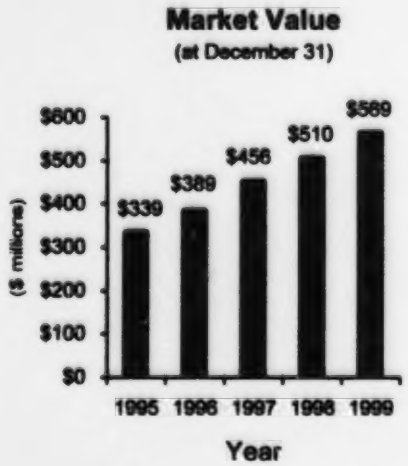
The Plan administration also embarked on a study of its corporate structure including the establishment of a wider range of services.



H.E. McEwen
Board Chair
Capital Pension Plan

Defined Contribution Funds

Total invested assets of the Capital Pension Plan's two defined contribution funds, the Diversified Fund and the Pre-Retirement Fund, valued at $569.4 million as of December 31, 1999, are held in trust by Royal Trust. They are invested solely for the benefit of the members in the Plan's defined contribution funds and are subject to the investment policies of the Capital Pension Plan's Board of Directors. As the following chart shows, the value of the fund has grown strongly from its value of $339 million in 1995.



Diversified Fund

Fund Management

The Diversified Fund was established in 1976. It is a balanced fund that holds Canadian and foreign equities, bonds, real estate, mortgages and short-term investments.

This fund is most appropriate for members with long term capital growth as their main objective.

As of December 31, 1999 the market value of the Diversified Fund's invested assets was $562.2 million and the day to day investment management was divided between its three investment managers on the following basis:

- $432.4 million was managed by Greystone Capital Management Inc. in a diversified portfolio of Canadian and foreign equities, Canadian bonds, real estate, and short-term investments. Greystone contracts Vontobel U.S.A. Inc. to manage its non-North American foreign equity portfolio;
- $65.1 million of the Canadian bond portfolio was managed by Knight, Bain, Seath & Holbrook;
- $64.7 million of the Canadian equity portfolio was managed by Lincluden Management Limited.

Investment Objectives and Policies

The investment managers for the Diversified Fund invest the fund's assets according to its *Statement of Investment Policies and Objectives* established by the Board. The statement includes the Board's asset mix guidelines, quality and quantity constraints for each type of security, the fund's investment objectives, as well as a portfolio benchmark and performance measures. At a minimum, this statement is reviewed and, if required, revised annually in September of each year.

A key decision made by the Board each year is the establishment of the Diversified Fund's asset mix guidelines. With its emphasis on long-term capital appreciation, investing in different assets such as bonds or equities presents different risks and potential returns. Generally, assets with the lowest return also have the lowest risk or volatility over the long term. However, having a low risk portfolio could be costly in the long run, because the fund would not benefit from the higher long-run rates of return that have historically been associated with a more volatile portfolio. Maintaining a well-diversified portfolio is a way of capturing those higher long-run rates of return while managing a fund's risk.

The following were the Diversified Fund's asset mix guidelines at December 31, 1999 as a percentage of its market value.

Diversified Fund Asset Mix Guidelines

Asset Class	Minimum %	Maximum %
Canadian Equity	17	50
Foreign Equity *	0	20
Emerging Markets	0	3
Total Equities	20	65
Real Estate	0	7
Bonds of Canadian Issuers (1 year and over)	20	65
Mortgages	0	5
Short-term Investments & Cash	0	30

* Not to exceed the foreign investment limit under the income tax act.

The fund's actual asset mix varied within the ranges established by the Board. This reflects the investment managers' efforts to add value by adjusting the relative weighting of each asset class in response to changes in market conditions.

The following was the Diversified Fund's actual asset mix at December 31, 1999 as a percentage of its market value.

Diversified Fund Asset Mix (% of Fund)

Asset Class	Asset Mix %
Canadian Equity	32.7
Foreign Equity	
U.S. Equity	9.8
Non-North American Equity	11.5
Emerging Markets	0
Real Estate	4.7
Bonds of Canadian Issuers (1 year and over)	34.0
Mortgages	0.3
Short-term Investments & cash	7.0

The primary performance objective of the Diversified Fund is to outperform the return on a *benchmark portfolio*. This return is calculated by multiplying the benchmark weightings of the major asset classes by the return achieved by each relative market index. This provides a return that would have been attained if the investment guidelines had been passively implemented. The investment managers can then add value relative to this benchmark by actively changing the asset mix or selecting securities within the asset class.

Diversified Fund Benchmark Portfolio

Asset Class	Market Index	Weight %
Canadian Equity	*TSE 300*	37
U.S. Equity	*S&P 500 ($C)*	10
Non-North American equity	*EAFE ($C)*	10
Real Estate	*RC Property*	5
Canadian Bonds	*SCM Universe*	36
Short-term Investments & Cash	*91-day T-Bills*	2

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A secondary objective is to earn returns, net of expenses, of at least:

- 110% of the *TSE 300 index* on Canadian equity managed actively;
- 110% of the *S&P 500 index* on U.S. equities managed actively;
- 110% of the *EAFE index* on non-North American equities managed actively;
- 100% of the *RCPI* on real estate;
- 105% of the *SCMU Bond Index* on Canadian bonds managed actively; and
- 105% of the income component of the *SCM Mortgage Index* on mortgages.

A final objective is to achieve a minimum return of the Canadian *Consumer Price Index* plus 3%.

Investment Performance

The fund's investment managers provide the Board with quarterly reports on investment performance. The Board also reviews fund performance with James P. Marshall Inc., an independent firm that specializes in evaluating fund performance and providing investment consulting.

Comparisons are made on a quarterly, rolling twelve month, and four year basis to evaluate the fund's short and long-term performance.

The Diversified Fund earned a relatively strong 13.37% net return on investments in 1999, reflecting another strong year in equity markets.

However, as can be seen in the following chart, overall investment performance was below the fund's benchmark return of 14.9%. The major source for this under performance stems from the domination of the TSE 300 by two stocks - NorTel Networks and BCE Inc. Although the TSE 300 annual return of 31.7% for 1999 was the fifth best since 1956, the bulk of the performance was by NorTel Networks (+280%) and BCE Inc. (+126%). At year-end, these two stocks had a combined TSE 300 weight of over 27%. However, the Diversified fund's investment policy for equities states that ... "No one holding should represent more than 10% of the common stock of the related equity portfolio". Therefore, with Canadian equities totalling 37% of the Diversified Fund's total portfolio, investment managers could not increase the fund's exposure to both of these stocks to more than 7.4% (3.7% each) even though the weighting for these two stocks in the TSE 300 benchmark was over 27%.

Nevertheless, both the Board and the Plan's investment managers agree that the Diversified Funds current investment policy, which places quantity limitations on equity holdings, is prudent. In 2000 the Board will investigate alternatives to the TSE 300 benchmark which are consistent with the funds investment policies and objectives.

1. Diversified Fund Asset Class Performance
2. Relative Market Index Return
3. Objective

	1999 %	1998 %	1997 %	1996 %
1. Canadian Equity	27.5	- 1.5	21.7	26.9
2. *TSE 300 Index*	31.7	- 1.6	15.0	28.3
3. *Index + 10%*	34.9	- 1.4	16.5	31.1
1. U.S. Equity	7.3	42.0	37.4	26.4
2. *S&P 500 Index*	14.4	38.0	39.2	23.6
3. *Index + 10%*	15.8	41.8	43.1	26.0
1. Non-N. A. Equity	37.1	27.7	15.2	9.8
2. *EAFE Index*	20.0	28.8	6.3	6.6
3. *Index + 10%*	22.0	31.7	6.9	7.3
1. Real Estate	11.7	19.2	22.3	9.6
2. *RCPI*	10.1	16.1	18.9	7.0
3. *Index + 0%*	10.1	16.1	18.9	7.0
1. Canadian Bonds	- 1.5	9.7	10.1	11.3
2. *SCMU Bond Index*	- 1.1	9.2	9.6	12.3
3. *Index + 5%*	- 1.0	9.7	10.1	12.9
1. Mortgages	8.2	8.4	9.8	10.0
2. *SCM Mort. Index*	7.4	7.0	6.6	7.6
3. *Index + 5%*	7.8	7.4	6.9	8.0
1. Short-term & Cash	5.2	5.0	3.5	5.1
2. *91 Day T-Bills*	4.7	4.7	3.2	5.0
3. *No stated objective*	n/a	n/a	n/a	n/a
Diversified Fund (net return) *	13.37	10.32	16.64	16.68
Benchmark Portfolio Return	14.9	10.5	14.7	18.5
Cons. Price Index	2.6	1.5	0.9	2.3
Index + 3%	5.6	4.5	3.9	5.3

* After all expenses

A secondary objective is to earn returns, net of expenses, of at least:

- 110% of the *TSE 300 index* on Canadian equity managed actively;
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1. Canadian Bonds	- 1.5	9.7	10.1	11.3
2. *SCMU Bond Index*	- 1.1	9.2	9.6	12.3
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Cons. Price Index	2.6	1.5	0.9	2.3
Index + 3%	5.6	4.5	3.9	5.3

* After all expenses

The following chart indicates the Diversified Fund's compound rates of return by asset class and, for comparison purposes, the compound rates of return for the relative market index. Also included are the compound rates of return for the entire Diversified Fund, its *Benchmark Portfolio* and the Consumer Price Index.

All returns indicated are for periods ending December 31, 1999.

Diversified Fund
Compound Rates of Return by Asset Class
Relative to the Asset Class Market Index Return

Asset Class *Asset Class Market Index Return*	1 Year	2 Years	3 Years	5 Years	10 Years
Canadian Equity	27.5	12.1	15.2	17.2	11.0
TSE 300 Index	31.7	13.9	14.2	17.0	10.6
U.S. Equity	7.3	23.4	27.9	27.2	20.1
S&P 500 Index	14.4	25.6	30.0	29.4	20.9
Non-North American Equity	37.1	32.3	26.3	19.0	n/a
EAFE Index	20.0	24.3	18.0	13.6	n/a
Real Estate	11.7	15.4	17.6	12.3	9.7
RCPI	10.1	13.1	15.0	11.3	4.9
Canadian Bonds	- 1.5	4.0	6.0	10.0	9.7
SCMU Bond Index	- 1.1	3.9	5.8	9.9	10.1
Mortgages	8.2	8.3	8.8	9.6	10.5
SCM Mortgage Index	7.4	7.2	7.0	7.5	8.9
Short-term Investments & Cash	5.2	5.1	4.5	5.2	7.0
91 Day Canadian T-Bills	4.7	4.7	4.2	5.0	6.6
Diversified Fund (net return) *	13.37	11.83	13.41	14.59	11.94
Benchmark Portfolio Return	14.9	12.7	13.3	15.3	11.4
Consumer Price Index	2.6	1.8	1.4	1.7	2.1

* After all expenses

Note: All rates of return stated in this report are *time-weighted.*

Pre-Retirement Fund

Fund Management

The Pre-Retirement Fund was established in 1994 and is available to members approaching retirement age. Its investments are restricted to short term fixed income securities. With its conservative investment policy, it may be appropriate for members approaching retirement who wish to ensure preservation of capital.

As of December 31, 1999, the market value of the Pre-Retirement fund was $7.2 million. Greystone Capital Management Inc. is responsible for its day to day investment management.

Investment Objectives and Policies

The investment manager for the Pre-Retirement Fund invests the funds assets according to its *Statement of Investment Policies and Objectives* established by the Board. The statement includes the Board's investment objectives, asset mix guidelines, quality and quantity constraints for each of the two types of securities the fund may hold, as well as the fund's portfolio benchmark and performance objective. This *statement* is reviewed and, if required, revised annually in September of each year.

The following were the Pre-Retirement Fund's asset mix guidelines at December 31, 1999 as a percentage of its book value. With its emphasis on the preservation of capital, investments are restricted to short term investment & cash as well as government guaranteed bonds which mature in five years or less.

Pre-Retirement Fund Asset Mix Guidelines

Asset Class	Minimum %	Maximum %
Short term investments & cash	1	100
Bonds with a term to maturity of 5 years or less	0	99

The fund's actual asset mix varied within the ranges established by the Board. This reflects the investment managers' efforts to manage the outflow of funds as members convert their equity to retirement income products.

The following was the Pre-Retirement Fund's actual asset mix at December 31, 1999 as a percentage of its book value.

Pre-Retirement Fund Asset Mix (% of Fund)

Asset Class	Asset Mix %
Short-term Investments & Cash	7.1
Bonds with a term to maturity of 5 years or less	92.9

Key objectives of the Pre-Retirement Fund are:

- Preservation of capital;
- A stable cash flow; and
- Achieve a return, after deduction of investment manager fees, above the yield on comparable guaranteed investment certificates, published in the Bank of Canada Review as *CANSIM Series 14056*.

Investment Performance

The fund's investment manager provides the Board with quarterly reports on investment performance. The Board also reviews fund performance with James P. Marshall Inc.

Pre-Retirement Fund Performance
Relative to its Performance Objective

	1999 %	1998 %	1997 %	1996 %
Pre-Retirement Fund (net return) *	5.63	6.42	6.27	7.21
Performance Objective **	4.81	4.38	4.71	5.64

* After all expenses
** CANSIM Series 14056

The Pre-Retirement fund earned a net return of 5.63% on its investments in 1999, above the fund's benchmark return of 4.90%. Although the fund return does not recognize unrealized gains or losses, lower short term interest rates throughout most of 1999 reduced the fund's interest earnings on investments purchased during the year.

The following chart indicates the Pre-Retirement Fund's compound rates of return as well as the compound rates of return for its performance objective. All returns indicated are for periods ending December 31, 1999.

Pre-Retirement Fund
Compound Rates of Return
Relative to its Market Index Return

	1 Year	2 Years	3 Years	5 Years	10 Years
Pre-Retirement Fund (net return) *	5.63	6.02	6.11	6.73	n/a
Performance Objective **	4.81	4.59	4.63	5.31	n/a

* After all expenses
** CANSIM Series 14056

Note: All rates of return stated in this report are *time-weighted.*

Retirement Annuity Fund

The Retirement Annuity Fund (RAF) was established in 1986 to provide retirement annuities to members of the Plan. Members in the Plan, upon retirement, may purchase a life annuity through the RAF or through a life insurance company. If the member elects to purchase from the RAF, the individual's account balance is transferred from the Defined Contribution Funds to the RAF and a life annuity contract is established based on current interest rates and group annuity mortality tables.

Crown Investments Corporation of Saskatchewan is the Plan sponsor for the RAF and has ultimate responsibility for any shortfalls that may occur. As of December 31, 1999, the RAF had a surplus (based on book value) of $4.6 million.

Total invested assets of the RAF, valued at $22.9 million as of December 31, 1999, are held in trust by Royal Trust. They are invested solely for the benefit of its *annuitants*. Day to day investment management of the RAF is provided by Greystone Capital Management Inc.

Investment Policies and Objectives

The assets of the RAF are invested by its investment manager according to its *Statement of Investment Policies and Objectives*. This *Statement* includes specific liquidity, bond duration and immunization objectives to ensure the long run solvency of the fund.

The investment guidelines of the RAF are also reviewed and re-establishment by the Board each year.

The investment objectives of the RAF's fixed income portfolio are:

- to structure the investment portfolio so that its fixed income investments are immune to changes in the level of interest rates;
- to provide sufficient liquidity to ensure payment to annuitants when due; and
- to ensure its long-run solvency.

Once these objectives are satisfied any excess or surplus assets of the fund may be invested in a high quality equity portfolio. The investment objective of the equity portfolio is:

- To outperform the TSE 300, S&P 500 and EAFE Index by at least 10% over rolling four year periods.

By the terms of the RAF's investment policy, its surplus represents the portion of the Fund that may be invested outside of the duration matching strategy, or more specifically, in equities.

The following was the RAF's asset mix at December 31, 1999 as a percentage of its book value.

Retirement Annuity Fund
Asset Mix (% of Fund) Based on Book Value

Asset Class	Asset Mix %
Canadian Bonds	80.9
Short-term Investments	2.6
Canadian Equities	12.1
Non-North American equities	4.4
U.S. Equities	0.0

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The following are the portfolio term and sector weights of the RAF's bond holdings at December31, 1999

Retirement Annuity Fund
Fixed Income Portfolio Term

[illegible]	%
Less than 1 year	2.5
[illegible]	[illegible]
6 to 10 years	6.8
[illegible]	[illegible]

Retirement Annuity Fund
Fixed Income Sector Weights

[illegible]	%
Federal	19.9
[illegible]	[illegible]
Corporate	3.0
[illegible]	[illegible]

Investment Performance

The RAF's investment manager provides the Board with quarterly reports on the bond portfolio's term and sector weights as well as the investment performance of its equity holdings. The Board also reviews these reports and performance of the fund with James P. Marshall Inc.

As of December 31, 1999, the three investment objectives of the fund's fixed income portfolio, as indicated on the previous page, were met.

As of December 31, 1999, returns for the Plan's equity portfolio by asset class, as well as the relative market index and asset class objective, were as follows:

1. **Retirement Annuity Fund**
   Asset Class Performance
2. ***Relative Market Index Return***
3. ***Objective***

	%
1. Canadian equities	35.7
2. *TSE 300 Index*	31.7
3. *Index + 10%*	34.9
1. Non-N. American equities	37.1
2. *EAFE Index*	20.1
3. *Index + 10%*	22.1
RAF total equity portfolio return	36.1
RAF total equity objective	31.3

Administration Report

The Capital Pension & Benefits Administration (CPBA), a division of Crown Investments Corporation of Saskatchewan, administers the Capital Pension Plan, collects contributions, keeps accurate and secure records, pays benefits to *pensioners* and members who are leaving the Plan, and provides Plan information to members and employers.

CPBA serves approximately 50 employers, 328 *annuitants*, and 6,147 members comprised of 4,002 *active members* and 2,145 *inactive members*.

Customer Services

While planning for future improvements to its products and services, CPBA continued to deliver effective, efficient pension administration services throughout 1999. Highlights included:

- minor upgrades to operating system software to increase efficiencies;
- an audit of all operating system hardware and software and, where required, enhancements to ensure Y2K compliance;
- tri-annual publication and distribution of a member newsletter;
- prompt distribution of member annual statements;
- more one-on-one member counselling sessions; and
- member information seminars.

Administration Costs

The total cost to operate the Capital Pension Plan consists of costs and fees for:

- investment management;
- custodial services;
- investment and performance consultant;
- actuarial services;
- auditor fees; and
- general administration.

In 1999 the total cost to operate the Plan amounted to $1,675,000 or 28 basis points (28/100 of 1%) of the Plan's total market value.

Statistical Information

The following tables provide statistical information on plan participation for 1999.

Participation

	#
Defined Contribution Funds	
Active members	4,002
Inactive members	2,145
Total	6,147
Retirement Annuity Fund *annuitants*	328
Total members and *annuitants*	6,475

The following table provides a breakdown, by age, of membership in the Plans defined contribution funds as at December 31, 1999.

Plan Demographics

Age	Members
Under 25	294
25 – 29	504
30 – 34	651
35 – 39	1,080
40 – 44	1,249
45 – 49	1,047
50 – 54	768
55 – 59	401
60 – 64	147
65 and over	26
Total	6,147

The following are the portfolio term and sector weights of the RAF's bond holdings at December31, 1999

Retirement Annuity Fund
Fixed Income Portfolio Term

Portfolio Term	%
Less than 1 year	2.5
1 to 5 years	3.9
6 to 10 years	6.8
Over 10 years	86.8

Retirement Annuity Fund
Fixed Income Sector Weights

Sector Weights	%
Federal	19.9
Provincial	77.1
Corporate	3.0
Municipal	0.0

Investment Performance

The RAF's investment manager provides the Board with quarterly reports on the bond portfolio's term and sector weights as well as the investment performance of its equity holdings. The Board also reviews these reports and performance of the fund with James P. Marshall Inc.

As of December 31, 1999, the three investment objectives of the fund's fixed income portfolio, as indicated on the previous page, were met.

As of December 31, 1999, returns for the Plan's equity portfolio by asset class, as well as the relative market index and asset class objective, were as follows:

1. **Retirement Annuity Fund**
   Asset Class Performance
2. ***Relative Market Index Return***
3. ***Objective***

	%
1. Canadian equities	35.7
2. *TSE 300 Index*	31.7
3. *Index + 10%*	34.9
1. Non-N. American equities	37.1
2. *EAFE Index*	20.1
3. *Index + 10%*	22.1
RAF total equity portfolio return	36.1
RAF total equity objective	31.3

Administration Report

The Capital Pension & Benefits Administration (CPBA), a division of Crown Investments Corporation of Saskatchewan, administers the Capital Pension Plan, collects contributions, keeps accurate and secure records, pays benefits to *pensioners* and members who are leaving the Plan, and provides Plan information to members and employers.

CPBA serves approximately 50 employers, 328 *annuitants*, and 6,147 members comprised of 4,002 *active members* and 2,145 *inactive members*.

Customer Services

While planning for future improvements to its products and services, CPBA continued to deliver effective, efficient pension administration services throughout 1999. Highlights included:

- minor upgrades to operating system software to increase efficiencies;
- an audit of all operating system hardware and software and, where required, enhancements to ensure Y2K compliance;
- tri-annual publication and distribution of a member newsletter;
- prompt distribution of member annual statements;
- more one-on-one member counselling sessions; and
- member information seminars.

Administration Costs

The total cost to operate the Capital Pension Plan consists of costs and fees for:

- investment management;
- custodial services;
- investment and performance consultant;
- actuarial services;
- auditor fees; and
- general administration.

In 1999 the total cost to operate the Plan amounted to $1,675,000 or 28 basis points (28/100 of 1%) of the Plan's total market value.

Statistical Information

The following tables provide statistical information on plan participation for 1999.

Participation

	#
Defined Contribution Funds	
Active members	4,002
Inactive members	2,145
Total	6,147
Retirement Annuity Fund *annuitants*	328
Total members and *annuitants*	6,475

The following table provides a breakdown, by age, of membership in the Plans defined contribution funds as at December 31, 1999.

Plan Demographics

Age	Members
Under 25	294
25 – 29	504
30 – 34	651
35 – 39	1,060
40 – 44	1,249
45 – 49	1,047
50 – 54	768
55 – 59	401
60 – 64	147
65 and over	26
Total	6,147

Contributions to the Plan's Defined Contribution Funds

Contributions to the Defined Contribution Funds totalled approximately $17.1 million in 1999. The following chart shows the contributions made to these funds. The contributions do not include revenue from fund investment.

Contributions to the Defined Contribution Funds

[illegible]	$
Employer required contributions	8,879,000
Employee required contributions	7,544,000
Employee voluntary contributions	669,000
Total contributions	17,092,000

Payments from the Plan's Defined Contribution Funds

Payments from the Plan's defined contribution funds in 1999 total $26.7 million. This was comprised of:

- $1.1 million transferred to the Retirement Annuity Fund;
- $23.3 million transferred to other retirement products outside the Plan;
- $613 thousand refunded to members; and
- $1.7 million paid for administration costs.

Contributions to the Retirement Annuity Fund

In 1999, 14 members of the Plan's defined contribution funds transferred a total of $1.1 million to the Retirement Annuity Fund to purchase a Life Annuity.

Payments from the Plan's Retirement Annuity Fund

During 1999 the Retirement Annuity Fund paid *annuitants* of the fund a total of $1.82 million.

Challenges for 2000

To continue improving pension administration products and services, the Capital Pension & Benefits Administration has set four core objectives:

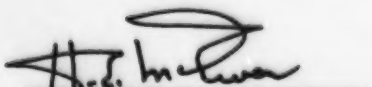
1. to assist the Plan's Board of Directors in reviewing and implementing any required refinements or changes to the Plan's governance model and processes;
2. to complete a strategic plan of future computer systems' software and hardware requirements;
3. to continue the development and implementation of a communications strategy, including development of an internet web site and investigation of other new methods of communication; and
4. to continue its corporate repositioning, including establishing a wider range of services for customers and providing staff training and feedback.

Management's Responsibility For Financial Reporting

The financial statements and information in the 1999 Annual Report have been prepared by management of the Capital Pension & Benefits Administration and have been approved by the Capital Pension Plan's Board of Directors. Information presented in this Annual Report that relates to the operations and financial position of the Capital Pension Plan is consistent with that in the financial statements.

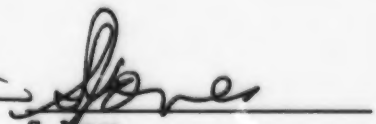
The Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the Consolidated Financial Statements and other information contained in this Annual Report.

KPMG, the Plan's external auditor, provides an independent audit of the financial statements. Its examination is conducted in accordance with generally accepted auditing standards and includes tests and other procedures that allow it to report on the fairness of the financial statements prepared by management.



H.E. McEwen
Board Chair

K.M. Klein
Director of Pensions



S. Jones
Manager, Accounting Services

Auditors Report

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the combined statement of net assets available for benefits of the Capital Pension Plan as at December 31, 1999 and the combined statement of changes in net assets available for benefits for the year then ended. These combined financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Capital Pension Plan as at December 31, 1999 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
January 27, 2000

Combined Financial Statements

COMBINED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at December 31

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Assets					
Investments at market value (Note 4)	$ 562,254	$ 7,164	$ -	$ 569,418	$ 504,815
Investments at cost (Note 5)	-	-	22,929	22,929	21,635
Total investments	562,254	7,164	22,929	592,347	526,450
Cash	1,847	10	16	1,873	644
Contributions receivable	1,280	6	-	1,286	1,424
Interest and dividends receivable	2,604	144	318	3,066	3,295
Capital assets (Note 10)	73	-	-	73	90
Total assets	568,058	7,324	23,263	598,645	531,903
Liabilities					
Accounts payable	236	6	29	271	518
Net assets available for benefits	$ 567,822	$ 7,318	$ 23,234	$ 598,374	$ 531,385

Contingency (Note 13)

(See accompanying notes)

On behalf of the Pension Plan Board of Directors:

Director Ron Cameron

Director Ruth Phillips

COMBINED STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Increase in Assets					
Investment Income (Note 6)	$ 68,224	$ 267	$ 2,186	$ 70,677	$ 50,375
Contributions and transfers in (Note 7)	18,435	2,709	1,079	22,223	20,086
	86,659	2,976	3,265	92,900	70,461
Decrease in Assets					
Withdrawals and transfers out (Note 8)	19,964	2,452	-	22,416	16,902
Payments to pensioners	-	-	1,820	1,820	1,784
Operating expenses (Note 9)	1,469	14	192	1,675	1,377
	21,433	2,466	2,012	25,911	20,063
Change in Net Assets	65,226	510	1,253	66,989	50,398
Net assets available for benefits, beginning of year	502,596	6,808	21,981	531,385	480,987
Net assets available for benefits, end of year	$ 567,822	$ 7,318	$ 23,234	$ 598,374	$ 531,385

(See accompanying notes)

Notes to Combined Financial Statements

December 31, 1999

1. Description of Plan

The following description of Capital Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the Plan Text.

a) The Plan was established pursuant to **The Crown Corporations Act, 1978** and is continued under **The Crown Corporations Act, 1993**. The Plan is available to all corporations both in the public and private sector upon approval of the Plan's Board of Directors. The Plan is subject to **The Pension Benefits Act, 1992**.

The Plan is administered by its Board of Directors using staff provided by Crown Investments Corporation of Saskatchewan.

b) The Plan is comprised of the Diversified Fund, the Pre-Retirement Fund and the Retirement Annuity Fund. The Diversified Fund and Pre-Retirement Fund are defined contribution funds while the Retirement Annuity Fund offers annuities to members upon retirement. The Diversified Fund and the Pre-Retirement Fund are collectively called the Defined Contribution Funds (DCF).

i) The Diversified Fund (DF) receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The DF is available to all members and members who are more than five years from their earliest retirement date must participate in this fund. The DF holds bonds, equities, real estate, mortgages and short term investments. The DF's mandate is to provide long term capital appreciation for members. Allocation of interest is based on the market value of the fund. The total available to a member upon termination or retirement is equal to the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

ii) The Pre-Retirement Fund (PRF) receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The PRF is available to members whose age is within five years of their earliest allowable retirement date. The PRF holds low risk mid-term income investments and is intended for those members who wish to protect themselves from the volatility of the investment markets. Participation in the PRF is at the discretion of the member. The PRF's intention is to hold all investments until maturity. Allocation of income is based on earnings realized from the investments. Changes in market value are not allocated to the members of the PRF. The total available to a member upon termination or retirement is equal to the balance in the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 1999

1. Description of Plan (continued)

iii) The Retirement Annuity Fund (RAF) was established to provide retirement annuities to members of the Plan. Members in the Plan, upon retirement, may purchase a life annuity through the RAF or through a private issuer. If the member elects to purchase from the RAF, the individual's account balance is transferred from the DCF to the RAF and a pension contract is established based on current interest rates and group annuity mortality tables.

c) Crown Investments Corporation of Saskatchewan is the sponsor for the RAF and has ultimate responsibility for any shortfalls that may occur. The DF and PRF have no responsibility to fund any shortfalls in the RAF.

d) Participants are responsible for the accuracy and completeness of member contributions remitted to the DF and PRF and for the employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the participants' contributions and payroll information received from participants.

e) The Plan is a Registered Pension Plan as defined in the **Income Tax Act** and is not subject to income taxes.

2. Scope of Financial Statements

Separate funds exist for the DCF and the RAF but are subject to common administration. Accordingly, these combined financial statements have been prepared to reflect this common administration. For further information readers should refer to the individual statements of the DCF and the RAF.

3. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of periodic financial statements involves the use of estimates because the precise determination of financial data frequently depends on future events.

Valuation of investments

a) The DCF investments are recorded at market value determined as follows:

i) Bonds, debentures and equities listed upon a recognized public exchange are valued at their closing sale price on the valuation date.

Bonds, debentures and equities not traded on the valuation date are valued at a price between the latest closing ask and bid prices.

Bonds, debentures and equities not listed upon any exchange are valued in the same manner as above based upon available public quotations in common use or at a price estimated to be the true value thereof.

Pooled equity funds are valued based on the quoted market price of the underlying equity investments, normally the current bid price.

ii) Short-term investments are valued at cost which approximates their market value.

3. Significant Accounting Policies (continued)

iii) Mortgages are valued at their net present value using current market based rates of return.

iv) Real estate investments are valued at market using an independent appraisal system that considers such factors as replacement cost and earnings results.

b) The RAF investments are recorded as follows:

i) Investments in bonds and debentures are carried at amortized cost. Related premiums or discounts are amortized on a straight-line basis over the remaining term of the investment.

ii) Investment in pooled equity funds are carried at cost.

iii) Short-term investments are carried at cost.

Investment transactions and income

Investment transactions are recorded on the settlement date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Interest income is accrued monthly and dividend income is recognized on the record date.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
Office furniture	5 years
Leasehold improvements	5 years

4. Defined Contribution Funds Investments

Defined Contribution Funds investments consist of the following:

	1999			1998
	Diversified Fund	Pre-Retirement Fund	Total	Total
	(thousands of dollars)			
Bonds and debentures	$ 192,812	$ 6,655	$ 199,467	$ 188,695
Short-term investments	35,787	509	36,296	29,037
Equities - Canadian	184,046	-	184,046	150,262
Equities - foreign	121,036	-	121,036	109,550
Mortgages	2,010	-	2,010	2,676
Real estate	26,563	-	26,563	24,595
	$ 562,254	$ 7,164	$ 569,418	$ 504,815

4. Defined Contribution Funds Investments (continued)

a) Short-term investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 4.70% to 5.49% (1998 – 4.59% to 5.80%). Interest is receivable at maturity.

b) Bonds and Debentures

The Funds' investment policy limits its investment concentration in any one investee or related group of investees to 10% of the fair value of its bond portfolio and 30% for bonds and debentures issued by any one province.

Interest rate risk is shown in the following table. Interest is generally receivable on a semi-annual basis for bonds and debentures.

Bonds and debentures interest rate risk - coupon rate:

	1999		1998	
	Diversified Fund	Pre-Retirement Fund	Diversified Fund	Pre-Retirement Fund
Government of Canada	4.25 - 8.00%	5.25 - 8.50%	4.88 - 8.50%	5.75 - 8.50%
Province of Saskatchewan	5.50 - 5.50%	- - -	5.50 - 5.50%	9.88 - 9.88%
Other provincial	5.50 - 9.63%	6.50 - 9.00%	5.50 - 9.63%	6.50 - 9.75%
Corporate & convertible	5.35 - 9.90%	- - -	5.40 - 9.90%	- - -
Bond and debentures interest rate risk - effective rate:				
Government of Canada	4.06 - 6.26%	5.58 - 6.22%	4.63 - 6.28%	5.62 - 6.48%
Province of Saskatchewan	5.56 - 5.56%	- - -	5.56 - 5.56%	9.14 - 9.14%
Other provincial	5.19 - 9.24%	5.11 - 8.60%	4.98 - 9.24%	5.11 - 8.60%
Corporate & convertible	5.51 - 7.00%	- - -	5.51 - 7.91%	- - -

4. Defined Contribution Funds Investments (continued)

The principal amount is shown by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Bonds and debentures term to maturity - principal amount:

	1999			1998
	Diversified Fund	Pre-Retirement Fund	Total	Total
	(thousands of dollars)			
Government of Canada				
Due in one year or less	$ 1,154	$ 935	$ 2,089	$ 1,000
After one through five years	52,621	3,687	56,308	60,178
After five years	72,634	-	72,634	47,868
Province of Saskatchewan				
Due in one year or less	-	-	-	350
After one through five years	1,748	-	1,748	-
Other Provincial				
Due in one year or less	-	650	650	55
After one through five years	9,740	1,235	10,975	11,872
After five years	17,778	-	17,778	16,979
Corporate & convertible				
Due in one year or less	612	-	612	212
After one through five years	19,946	-	19,946	15,786
After five years	18,609	-	18,609	20,364
	$ 194,842	$ 6,507	$ 201,349	$ 174,664

c) Equities

The Funds' investment policy allows no one holding to represent more than 10% of the market value of the portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Included in equities - foreign is $55,451,000 (1998 - $55,160,000) denominated in U.S. dollars.

4. Defined Contribution Funds Investments (continued)

d) Mortgages

All mortgages are secured by Canadian commercial properties and have effective and stated interest rates of 6.80% to 10.75% (1998 - 5.80% to 10.75%). Principal and interest are receivable on a monthly basis. The average term to maturity is 6.62 years (1998 - 6.17 years).

e) Real Estate investments

Investments in real estate consist of Canadian commercial property.

Included in Real estate is an investment of $1,041,000 (1998 - $1,093,000) in SaskPen Properties Ltd. SaskPen Properties is a real estate corporation beneficially owned by Crown managed pension funds in the Province of Saskatchewan.

5. Retirement Annuity Fund Investments

a) Retirement Annuity Fund investments consist of the following:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Bonds and debentures	$ 18,548	$ 20,324	$ 18,043	$ 22,729
Pooled equity funds	3,784	5,895	3,398	4,405
Short-term investments	597	597	194	194
	$ 22,929	$ 26,816	$ 21,635	$ 27,328

Bonds and debentures include the following:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Government of Canada	$ 4,092	$ 4,044	$ 3,046	$ 3,489
Province of Saskatchewan	2,991	3,832	3,504	4,849
Other provincial	10,942	11,842	10,907	13,679
Corporate	523	606	586	712
	$ 18,548	$ 20,324	$ 18,043	$ 22,729

5. Retirement Annuity Fund Investments (continued)

The Fund's investment policy limits its investment concentration in any one investee or related group of investees to 10% of the fair value of its bond portfolio and to 30% for bonds and debentures issued by any one province.

Interest rate risk is shown in the following table. Interest is generally receivable on a semi-annual basis for bonds and debentures.

	1999		1998	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Government of Canada	5.50 - 9.25%	5.44 - 7.94%	5.75 - 9.25%	5.44 - 7.94%
Province of Saskatchewan	9.60 -10.00%	9.02 - 9.73%	9.60 -10.00%	6.02 - 9.73%
Other provincial	6.00 -10.25%	5.83 - 10.75%	6.00 -10.25%	5.77 -10.75%
Corporate	8.35 -10.55%	8.42 - 12.20%	8.35 -10.55%	8.42 -12.20%

	1999		1998	
	Carrying Amount	Principal Amount	Carrying Amount	Principal Amount
	(thousands of dollars)			
Government of Canada				
Due in one year or less	$ 511	$ 515	$ -	$ -
After one through five years	216	215	216	215
After five years	3,365	3,822	2,830	2,668
Province of Saskatchewan				
Due in one year or less	-	-	508	500
After five years	2,991	2,957	2,996	2,957
Other provincial				
After one through five years	422	400	429	400
After five years	10,520	10,392	10,478	10,293
Corporate				
Due in one year or less	-	-	50	50
After one through five years	140	140	140	140
After five years	383	405	396	420
	$ 18,548	$ 18,846	$ 18,043	$ 17,643

5. Retirement Annuity Fund Investments (continued)

b) Pooled equity funds

The RAF limits its investment in a single pooled equity fund to not be more than 10% of the fair value of its investment portfolio. Foreign equities are limited to 20% of the book value of the total funds. These funds have no fixed interest rate and their returns are based on the investment performance attained by the fund manager. Pooled equity funds are carried at cost, which approximates fair market value due to the manner in which income is distributed.

c) Short-term investments

At December 31, 1999, the Fund had $597,000 (1998 - $194,000) invested in short term investments paying an average of 4.69%.

6. Investment Income

Investment income is comprised of the following:

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Bond and debenture interest	$ 10,860	$ 374	$ 1,416	$ 12,650	$ 12,710
Interest on short-term investments	1,665	31	29	1,725	1,361
Interest on mortgages	197	-	-	197	209
Dividends	9,703	-	385	10,088	7,200
Income from real estate	1,870	-	-	1,870	2,035
Gain (loss) on sale of bonds and debentures	(3,880)	1	356	(3,523)	5,591
Gain on sale of equities	26,291	-	-	26,291	19,455
Gain (loss) on sale of real estate	334	-	-	334	(2,466)
Net unrealized appreciation (depreciation) of investments	21,184	(139)	-	21,045	4,280
	$ 68,224	$ 267	$ 2,186	$ 70,677	$ 50,375

7. Contributions and Transfers in

Contributions and transfers in are comprised of the following:

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Participants' contributions	$ 8,840	$ 39	$ -	$ 8,879	$ 8,232
Members' contributions	7,516	28	-	7,544	6,981
Voluntary contributions	662	7	-	669	509
Transfers into the fund	5,131	-	-	5,131	4,364
Interfund transfers	(3,714)	2,635	1,079	-	-
	$ 18,435	$ 2,709	$ 1,079	$ 22,223	$ 20,086

8. Withdrawals and Transfers Out

Withdrawals and transfers out are comprised of the following:

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Withdrawals	$ 18,145	$ 2,261	$ -	$ 20,406	$ 16,640
Payouts on retirement	527	191	-	718	69
Transfers to other pension plans	1,292	-	-	1,292	193
	$ 19,964	$ 2,452	$ -	$ 22,416	$ 16,902

9. Operating Expenses

The costs to administer the Plan are borne partially by Crown Investments Corporation of Saskatchewan and by the Plan. The portion of expenses paid by the Plan is reflected in the accompanying financial statements and include investment management fees, custodial fees and professional fees paid by the Plan. Effective January 1, 2000, all administrative expenses will be paid by the fund.

10. Capital Assets

Capital assets at are recorded in the DCF at cost less accumulated amortization:

	Cost	Accumulated Amortization	1999 Net Book Value	1998 Net Book Value
	(thousands of dollars)			
Computer equipment	$ 77	$ 31	$ 46	$ 59
Office furniture	11	2	9	8
Leasehold Improvements	25	7	18	23
	$ 113	$ 40	$ 73	$ 90

11. Provision for Annuity Benefits

The provision for annuity benefits is the actuarial present value of the future expected annuity benefit obligation to pensioners as annually determined by AON Consulting Inc., an independent actuary. The actuarial valuation is a complex process requiring professional judgment on the part of the actuary. Measurement of this amount is uncertain as estimates must be made of future interest rates and mortality rates. For purposes of this actuarial valuation, an interest rate of 6.25% was used for the first 15 years and 6% thereafter. Also, the 1983 mortality tables have been used. If this interest rate assumption changes by 1%, the provision for annuity benefits changes by $1,450,000. If average mortality age increases by 1.2 years the provision for annuity benefits increases by $574,000.

The annual change in the liability is reflected in the statement of operations. The principal components of the change during the year were as follows:

	1999	1998
	(thousands of dollars)	
Provision, beginning of year	$ 18,276	$ 17,578
Increase in liability due to new annuitants during year	1,006	1,084
Net change in liability due to aging and gain from mortality	125	(72)
Change in liability due to changes in interest rate assumptions	329	327
Miscellaneous changes in liability including program changes	(1,068)	(641)
Provision, end of year	$ 18,668	$ 18,276

12. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Funds by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

	1999				1998
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Participants' contributions	$ 6,332	$ 24	$ -	$ 6,356	$ 5,864
Investment income	48	17	333	398	488
Contributions receivable	915	4	-	919	839
Interest and dividends receivable	8	-	122	130	175

Other transactions and amounts due to and from related parties are described separately in these financial statements and the notes thereto.

13. Contingency

A Statement of Claim has been filed against the Plan by the Potash Corporation of Saskatchewan Inc. (PCS Inc.), a former participant in the Plan. The Statement of Claim asks for the return to PCS Inc. of a portion of the unvested contributions, together with interest, which have been credited to the RAF equity. The amount of unvested contributions that have been transferred to the assets of the RAF, by PCS Inc. to December 31, 1999, is $832,000. The Plan text requires that these funds only be used for the benefit of the pensioners who are members of the RAF. Consequently, the Plan's management contends that these funds are not the property of PCS Inc. This case was heard during 1999 and judgement has not been rendered. Settlements, if any, concerning this contingency will be accounted for in the period of settlement.

14. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of plan participants, suppliers, or other third parties, will be fully resolved.

15. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

For the following financial instruments:

a) cash,
b) short-term investments,
c) contributions receivable,
d) interest and dividends receivable, and
e) accounts payable

the carrying amounts approximates fair value due to their immediate or short-term maturity.

The fair value of all other investments is considered to be market value, the determination of which is disclosed in note 3(a).

The fair value of the provision for annuity benefits cannot be readily determined, however information about this liability is provided in note 11.

Glossary

Terms

Active Member
A member who is making employee required contributions to the Plan and/or whose employer is making employer required contributions to the Plan.

Annuitant
A member who has used some or all of his or her equity in the defined contribution funds to purchase a life annuity from the Retirement Annuity Fund.

Benchmark
A standard against which others are measured. For the purposes of this report, benchmarks are established market indexes, listed in percentages, used to measure the performance of the fund's investment returns in relative asset classes.

Benchmark Portfolio
The asset mix of a portfolio that is determined from a funds asset mix guidelines and which is used to measure the performance of a fund's overall return.

Benchmark Portfolio Return
The return for the Benchmark Portfolio that is derived from the returns of the relative market indexes.

Emerging Market
An economy in the early stages of development whose markets have sufficient size and liquidity and are receptive to foreign investment. Examples include Greece, Malaysia and Argentina.

Inactive Member
A member who is no longer working for an employer that is making employer required contribution to his or her account with the Plan.

Plan Text
This is the official document of the Plan which describes its rules and regulations. The Plan Text, as well as any amendments thereto is filed with and approved by both the Superintendent of Pensions (Saskatchewan and the Canada Customs and Revenue Agency (Revenue Canada).

Statement of Investment Policies and Objectives
A policy document set by the Board to establish the asset mix of the funds, the manner by which the investment managers may invest assets, the specific quantity and quality constraints, and the benchmark returns of the funds.

Time-Weighted Return
A-period-by-period return that does not consider cash contributions to and withdrawals from the fund. Time-weighted returns do not reflect the effect cash flow has on the fund's return.

Total Return
Interest income (loss) plus price fluctuations.

Indices

CANSIM Series 14056
Published by the Bank of Canada, this is the average rate for a 5 year Guaranteed Investment Certificate.

Consumer Price Index
Measures the relative prices at various times of a select group of goods and services which typify those bought by urban families.

EAFE Index
The EAFE (Europe, Australia and Far East) index measures the total return attributable to the largest capitalized companies on the European, Australian and far east stock exchanges.

RCPI
The RCPI (Russell Canadian Property Index) provides a comprehensive benchmark of investment returns for institutional real estate properties that are geographically dispersed across Canada.

SCM Mortgage Index
The SCM (Scotia Capital Markets) Mortgage index measures the total return attributable to Canadian mortgages.

SCMU Bond Index
The SCMU (Scotia Capital Markets Universe) bond index measures the total return attributable to Canadian bonds and includes representative bonds issues by issuer (Federal, Provincial, Municipal, and Corporate), quality (AAA, AA, A, and BBB), and term (short, mid, and long).

S&P 500 Index
Measures the total return attributable to the 500 largest capitalized companies on U.S. stock exchanges.

TSE 300 Index
Measures the total return attributable to the 300 largest capitalized companies traded on the Toronto Stock Exchange. Maintained by the Toronto Stock Exchange, the index is compiled and reported on a daily basis. The index's composition is adjusted annually.

Directory-2000

Board of Directors

Chair
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Crown Investments Corporation of Saskatchewan

Joy Anderson
Saskfor MacMilllan Ltd

Don Axtell
Crown Investment Corporation of Saskatchewan

David Brindle
Information Systems Management Corporation

Ron Cameron
Saskferco Products Inc.

Lydia Kapell
Saskatchewan Government Insurance

Micheal McPherson
Saskatchewan Housing Authorities

Wayne Phillips
Saskatchewan Water Corporation

Larry Sheffer
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